

Message Text

CONFIDENTIAL

PAGE 01 TOKYO 15881 131004Z

ACTION EB-08

INFO OCT-01 EA-10 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 SS-15
NSC-05 /051 W

-----089091 140210Z /61

R 130910Z OCT 77

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 1947

C O N F I D E N T I A L TOKYO 15881

DOT FOR ADAMS;

DEPARTMENT PASS CAB FOR KAHN AND FARMER

E.O. 11652: GDS

TAGS: EAIR, JA

SUBJECT: U.S.-JAPAN CIVIL AIR NEGOTIATIONS: REPORT 4

1. DELEGATIONS CONCLUDED FIRST ROUND OF DISCUSSION ON EACH
ISSUE ON OCTOBER 13 WITH EXCHANGE OF VIEWS ON ALL-CARGO
SERVICES, CHARTERS, LOW FARE SCHEDULED SERVICES, AND
JAPANESE AIRPORT CONGESTION.

2. JDEL PROPOSED THAT ROUTES FOR ALL-CARGO SERVICES BE
SAME FOR BOTH SIDES, NAMELY, TOKYO, OSAKA AND OKINAWA
AS COTERMINAL POINTS IN JAPAN AND ANCHORAGE, CHICAGO, LOS
ANGELES, NEW YORK, SAN FRANCISCO, SEATTLE, ATLANTA,
DALLAS/FT. WORTH, AND HOUSTON AS COTERMINAL POINTS IN
U.S. THERE WOULD BE NO BEYOND RIGHTS ON EITHER SIDE.
EACH COUNTRY COULD DESIGNATE UP TO THREE AIRLINES FOR
ALL-CARGO SERVICES AND CAPACITY REGIME PRESENTED EARLIER
WOULD APPLY EQUALLY TO ALL-CARGO CAPACITY. USDEL
EXPRESSED SURPRISE JAPAN WOULD PROPOSE CONTRACTION OF
OPPORTUNITIES IN AN AREA DIRECTLY RELATED TO TRADE
BETWEEN TWO COUNTRIES AND NOTED INCONSISTENCY BETWEEN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 15881 131004Z

JAAN'S MARKET SHARING APPROACH IN AIR TRANSPORT AND
ITS PRESUMED INTEREST IN UNRESTRICTED OCEAN TRANSPORT.
JDEL ARGUED TWO SITUATIONS WERE HISTORICALLY DIFFERENT.
WE AGAIN EMPHASIZED THAT OVERALL AGREEMENT COULD ONLY
BE CONCLUDED IN AN EXPANSIONIST CONTEXT WHICH DEALT
ADEQUATELY WITH ALL ISSUES.

3. JDEL CHOSE TO TACKLE CHARTER ISSUE IN PLENARY BY ASKING SERIES OF QUESTIONS WHICH INDICATED IT FELT THAT CHARTER FLIGHTS WOULD ONLY DIVERT TRAFFIC FROM SCHEDULED SERVICES WHICH SHOULD CONTINUE RECEIVE FIRST PRIORITY. USDEL REFUTED THIS LINE OF ATTACK AND REPEATED THAT CHARTERS WERE AN ESSENTIAL ELEMENT OF AN OVERALL SETTLEMENT. JDEL HAS INDICATED PRIVATELY IT PREPARED DISCUSS CHARTERS AND NOT OPPOSED TO SOME ARRANGEMENTS. HOWEVER, TWO UNACCEPTABLE FEATURES OF JAPANESE POSITION HAVE BECOME CLEAR. ONE IS THAT THE CHARTER ARRANGEMENTS SHOULD BE WORKED OUT AFTER SCHEDULED SERVICE ISSUES SETTLED, AND OTHER IS THAT JAPANESE SAY THEY CAN GIVE US MUCH LESS IN CHARTER AREA THAN WE ARE ASKING.

4. DISCUSSION OF LOW FARES ON SCHEDULED SERVICES REVEALED JAPANESE NOT OPPOSED LOWEST FARES POSSIBLE, BUT THEIR REMARKS MAKE IT CLEAR THAT JAPAN BELIEVES IATA SHOULD SET FARES AND PRIMARY FACTOR SHOULD BE PROFIT FOR AIRLINES. WE SUSPECT JAPANESE HAVE DIFFICULTY SEPARATING THE QUESTION OF PRINCIPLE, ON WHICH WE CAN PROBABLY OBTAIN AGREEMENT, FROM THE ENVIRONMENT FOR LOW FARES WHICH WE SEEKING (CHARTERS, MULTIPLE DESIGNATION, AND NO CAPACITY LIMITATIONS), AND THEREFORE WANT TO AVOID A COMMITMENT TO LOW-FARES AT THIS TIME.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TOKYO 15881 131004Z

5. WORKING GROUP ON AIRPORT PROBLEMS MET AFTERNOON OCTOBER 11 WITH INCONCLUSIVE RESULTS. WHEN ISSUE DISCUSSED IN PLENARY OCTOBER 13, USDEL SAID IT COULD DRAW LITTLE COMFORT FROM AIRPORT SITUATION AND THAT, UNLESS SOME SOLUTIONS FOUND, IT DIFFICULT SEE HOW AN OVERALL PACKAGE COULD BE PUT TOGETHER. IT IS, IN FACT, INCREASINGLY EVIDENT THAT, IF JAPANESE ARE UNABLE TO PROVIDE SIGNIFICANT EXPANSION IN AIRPORT CAPACITY (WHICH MAY BE THE CASE), IT WILL BE IMPOSSIBLE TO DEVELOP A PACKAGE WHICH WILL GIVE US ANYTHING OF REAL VALUE ON CHARTERS, MULTIPLE DESIGNATION, CAPACITY, AND OTHER COMPETITION ISSUES. A SIGNIFICANT PART OF PROBLEM IS THAT JAPANESE SAY NARITA WILL INCREASE TOKYO AIRPORT CAPACITY ONLY SLIGHTLY, ESPECIALLY FOR SOME UNSPECIFIED INTERIM PERIOD, WHILE AT SAME TIME THEY HAVE NOT DECIDED WHAT CAPACITY WILL BE AVAILABLE AT NARITA IN LONG RUN OR HOW THEY WILL ALLOCATE IT. AS FOR OSAKA, JAPANESE SAY THAT NO NEW AIRLINES CAN ENTER (E.G., CONTINENTAL ON ITS SAIPAN SERVICES), EXISTING AIRLINES CANNOT INCREASE THEIR SLOTS, AND CHARTER FLIGHTS ARE VIRTUAL IMPOSSIBILITY.

6. IN ORDER ATTEMPT BREAK STALEMATE, WE HAVE MET INFORMALLY WITH ONLY LIMITED NUMBER GOVERNMENT PRINCIPALS PRESENT. WE SAID THAT FIRST STEP HAD TO BE TO AGREE ON WHICH ELEMENTS SHOULD BE INCLUDED IN A PACKAGE AGREEMENT, BUT WE COULD NOT EVEN GET OVER THIS HURDLE. FOR REASONS WHICH MAY BE AS MUCH PRESENTATIONAL AS SUBSTANCE, JAPANESE HELD TO VIEW THAT REVISION ISSUES (BY WHICH THEY MEAN SCHEDULED SERVICES) MUST BE SETTLED FIRST.

7. NO FURTHER MEETINGS HAVE BEEN SCHEDULED WHILE JAPANESE DELEGATION MULLS OVER SITUATION INTERNALLY.
MANSFIELD
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 TOKYO 15881 131004Z

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TOKYO15881
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770376-0825
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771062/aaaacbcq.tel
Line Count: 136
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: cb0f952f-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 927870
Secure: OPEN
Status: NATIVE
Subject: U.S.-JAPAN CIVAIR NEGOTIATIONS: REPORT 4
TAGS: EAIR, JA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/cb0f952f-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009